

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile	
Country	VIETNAM
Factory name	12008464D
IEM	GLOBAL STANDARDS VIETNAM
Date(s) in facility	AUGUST 10-11, 2005
PC(s)	REEBOK INTERNATIONAL Ltd. & Puma AG
Number of workers	790
Product(s)	PANTS, JACKETS
Production processes	CUTTING, STITCHING, INSPECTION, PACKING

FLA Code/ Compliance Issue			Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings		Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Remediation					PC Comments				
1. Code Awareness																						
Code posting/information					FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.																	
Worker/management awareness of Code					FLA Principle of Monitoring, Obligation of Companies: Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.	No code training provided to workers. Reebok CoC was posted in the factory in Korean and Vietnamese				Visual inspection Management interview												
Confidential non-compliance reporting channel					FLA Principle of Monitoring, Obligation of Companies: Develop a secure communications channel in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	Reebok has put in place direct communications channel to PC. Other PCs do not have such a system.				Visual inspection Management interview												
2. Forced Labor																						
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise																						
3. Child Labor																						
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																						
4. Harassment or Abuse																						
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																						
Progressive Discipline	Article 84, 85 of Labor Code	Employers will utilize progressive discipline, e.g., escalating discipline using steps such as verbal warning, written warning, suspension, termination. Any exceptions to this rule, e.g., immediate termination for theft or assault shall be in writing and clearly communicated to workers.			Factory has no progressive discipline policies and procedures per law and code requirements.				Document review Management interview Worker interview		Factory already has progressive discipline policies and procedures as required by law and approved by labor authorities in 2004. PC monitor reviewed the policies.											
Training of Management in Disciplinary Practices	Decree 41/1995/ND-CP and Decree 33/2003/ND-CP	Employers will provide training to managers and supervisors in appropriate disciplinary practices			Factory has no discipline policies and practices and no training provided.				Document review Management interview Worker interview		Factory has discipline policies and practices. Factory conducted training in its internal regulations that includes disciplinary practices. No training records were maintained, but minutes of meeting with the supervisors and managers.	Factory shall submit its 12-month training plan and conduct trainings on disciplinary policies, maintaining training records on file.										
5. Nondiscrimination																						
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																						
6. Health and Safety																						
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities																						
Evacuation Procedure	Article 102 of labor code Circular No.08/LDTBXH-TT dated 11 Apr 1995 & Circular No.23/LDTBXH-TT dated 19 Sept 1995	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures			Emergency evacuation plan is not adequate or accurate showing aisles that do not exist in reality. Markings of aisles on the floor are outdated and inaccurate (i.e. layout has changed without updating lines or floor plan).				Visual inspection Records review			Factory shall revise the emergency evacuation plan and re-mark the markings of aisles on the floor.										
Evacuation Procedure	Article 102 of labor code Circular No.08/LDTBXH-TT dated 11 Apr 1995 & Circular No.23/LDTBXH-TT dated 19 Sept 1995	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures			Aisles blocked with sewing machines, materials and product boxes; Exit roller doors are normally kept closed or mostly closed (with posted signs requesting doors be kept closed);				Visual inspection			The factory uses a water cooling system, so doors are required to be kept closed. The factory shall identify an alternative way to keep the cooling system working, such as using a transparent curtain/blind. The factory must post a notice that exit aisles are to be kept continuously accessible.										

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						PC Internal audit findings (Optional)	Remediation				
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company		PC Remediation plan	PC Comments			
Evacuation Procedure	Article 102 of labor code Circular No.08/LDTBXH-TT dated 11 Apr 1995 & Circular No.23/LDTBXH-TT dated 19 Sept 1995	All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Almost 50 workers work upstairs in sample & finishing sections with only one emergency exit stair (a second stair has been blocked for storage and is no longer in service).				Visual inspection			Factory shall maintain the second emergency exit in the sample & finishing sections at all times.				
Safety Equipment	Circular No. 13/BYT-TT dated October 24th, 1996 "3.1.1. At the workplace holding harmful and dangerous elements likely to cause occupational accidents the employer shall provide medical technical facilities such as first aid medicine, anti-dose, emergency charts, dressing, cotton-wool, gauze, scissors, stretchers, gas mask, poison prevention and ambulance car".	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Fire extinguishers were not checked regularly: Fire Extinguisher inspection tags in clinic, office, warehouse show they were last checked in Jan, Feb, or March. Fire extinguishers in warehouse, cutting and other areas were blocked; New fire extinguishers supplied to the factory on orders from the fire department have been left in the boiler area on the ground in standing water for several months without being deployed; Many fire extinguishers covered with dust and cobwebs;				Visual inspection Record review			Factory HSE conditions are always poor. PC monitor noticed that there was no full-time staff in charge of HSE in the factory. Factory shall develop its HSE program and assign a full-time HSE officer who will be held accountable for any HSE infractions.				
Safety Equipment	Circular No. 13/BYT-TT dated October 24th, 1996 "3.1.1. At the workplace holding harmful and dangerous elements likely to cause occupational accidents the employer shall provide medical technical facilities such as first aid medicine, anti-dose, emergency charts, dressing, cotton-wool, gauze, scissors, stretchers, gas mask, poison prevention and ambulance car".	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Emergency safety equipment not maintained. Glass was broken on one fire alarm in cutting section and taped over but not replaced. Emergency lights and exit signs are reportedly tested monthly, but no record of these tests exists.				Visual inspection			Factory HSE conditions are always poor. PC monitor noticed that there was no full-time staff in charge of HSE in the factory. Factory shall develop its HSE program and assign a full-time HSE officer who will be held accountable for any HSE infractions.				
Safety Equipment	Circular No. 13/BYT-TT dated October 24th, 1996 "3.1.1. At the workplace holding harmful and dangerous elements likely to cause occupational accidents the employer shall provide medical technical facilities such as first aid medicine, anti-dose, emergency charts, dressing, cotton-wool, gauze, scissors, stretchers, gas mask, poison prevention and ambulance car".	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	First aid kits were mostly empty, not refilled and access was blocked.				Visual inspection			Factory HSE conditions are always poor. PC monitor noticed that there was no full-time staff in charge of HSE in the factory. Factory shall develop its HSE program and assign a full-time HSE officer who will be held accountable for any HSE infractions.				
PPE	Article 101 of the Labor Code Circular No. 10/1998/TT-BLDTBXH dated May 28th, 1998	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise dust, etc.) to hazardous elements including medical waste.	Cutting workers did not wear PPE (safety cutting gloves). Instead they turned off machines and pretended to do something else when monitor entered the room.				Visual inspection			Factory shall develop and communicate to workers a clear policy on PPE. The policy shall include, but not be limited to: a) what type of PPE must be used in each location b) who dispenses it c) how to change it, and d) consequences for not implementing the PPE policy, including discipline for workers and their supervisors. The full-time HSE officer shall provide workers and supervisors with training in how to properly use PPE, how to understand MSDS, and in basic knowledge of chemical safety.				
PPE	Article 101 of the Labor Code Circular No. 10/1998/TT-BLDTBXH dated May 28th, 1998	Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise dust, etc.) to hazardous elements including medical waste.	Workers observed using Acetone for spot cleaning without adequate ventilation or PPE.				Visual inspection			Factory shall develop and communicate to workers a clear policy on PPE. The policy shall include, but not be limited to: a) what type of PPE must be used in each location b) who dispenses it c) how to change it, and d) consequences for not implementing the PPE policy, including discipline for workers and their supervisors. The full-time HSE officer shall provide workers and supervisors with training in how to properly use PPE, how to understand MSDS, and in basic knowledge of chemical safety.				
Chemical Management	Decree No. 168/2005/ND-CP dated May 20, 2005	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Safety procedures lacking for storage and use of chemicals in factory. Workers observed using Acetone for spot cleaning without adequate ventilation or PPE, dipping toothbrushes in a large open dish of acetone. Cans of Nan Pao Glue Bond found in the corner of the factory with no MSDS. Cans of Spot cleaner also present and used with no MSDS. No chemical safety procedures or training provided.				Visual inspection			Factory shall develop and communicate to workers a clear policy on PPE. The policy shall include, but not be limited to: a) what type of PPE must be used in each location b) who dispenses it c) how to change it, and d) consequences for not implementing the PPE policy, including discipline for workers and their supervisors. The full-time HSE officer shall provide workers and supervisors with training in how to properly use PPE, how to understand MSDS, and in basic knowledge of chemical safety.				

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings						PC Internal audit findings (Optional)	Remediation					
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company		PC Remediation plan	PC Comments				
Ventilation/Electrical/facility maintenance		All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	Electrical panels were blocked with products and cardboard boxes. Poor housekeeping left dust, lint, cobwebs covering electrical panels, wires, electric lights, fans. Posing risk of electrical fire.				Visual inspection			Factory HSE conditions are always poor. PC monitor noticed that there was no full-time staff in charge of HSE in the factory. Factory shall develop its HSE program and assign a full-time HSE officer who will be held accountable for any HSE infractions.					
Machinery Maintenance	Article 98 of the Labor Code: "2. The employer shall provide adequate protective devices for all dangerous parts of machinery and equipment within the enterprise;	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	No record of regular care and maintenance for boiler.				Record review, interview with maintenance staff			Factory shall require the technician or service provider to maintain the boiler on a regular basis. Records must be maintained on site.					
Machinery Maintenance	Article 98 of the Labor Code: "2. The employer shall provide adequate protective devices for all dangerous parts of machinery and equipment within the enterprise;	All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	No safety guards for sewing machines				Visual inspection			Factory must install pulley guards and needle guards on all machines. Regular inspection and evaluation of machine safety by a designated, qualified staff member should be included in written policy/procedures.					
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	Kitchen uses antiquated hand pump gas canisters not professionally filled gas cylinders. These gas canisters are old, unsafe and located too close (less than 1m) to the open flame of stove.				Visual inspection			Factory shall replace old gas cylinders, and maintain them in safe conditions thereafter. A staff member shall be assigned to supervise the food supplier and be held accountable if any infraction is identified.					
Sanitation in Dining Area	Decision 4128/2001/QĐ-BYT dated October 3, 2001	All food preparation shall be prepared, stored, and served in a sanitary manner in accordance with applicable laws. Safe drinking water should be available in each building.	Workers did not wear gloves and mask when preparing food; Food samples were kept improperly (not enough food, not labeled, not in a sealed container and signed by person in charge)				Visual inspection			Factory shall require the food supplier to follow its HSE procedures to prepare and keep food. A staff member shall be assigned to supervise the food supplier and be held accountable if any infraction is identified.					
Worker Participation	Joint Circular No.14/1998/TTLT/BYT- BLDTBXH-TLQD dated 31 Oct 1998	Workers should be involved in planning for safety, including through worker safety committees	Safety committee has not yet been formed as required.				Records review, Mgt interview			Factory shall form its safety committee as required.					
Fire Safety Health and Safety legal compliance	Circular No. 13/BYT-TT dated October 24th, 1996, Point 3.2.2	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standard will apply.	No health checks for workers this year (last on March 20, 2004)				Record review			Factory shall arrange annual health checks for the workers.					
Fire Safety Health and Safety legal compliance	Circular No. 13/BYT-TT dated October 24th, 1996, Point 2.1.3	Employer will comply with applicable health and safety laws and regulations. In any case where laws and code of conduct are contradictory, the higher standard will apply.	No HS environment test report on record for this year as required by law (last June 2004)				Record review			Factory shall arrange annual environment test for 2005 and 2006.					
7. Freedom of Association and Collective Bargaining															
Employers will recognize and respect the right of employees to freedom of association and collective bargaining															
Compliance to local collective bargaining laws	Article 44-54 of the Labor Code; Decree No. 196/CP; Decree No. 93/2002/ND-CP	Employers will comply with all national and local laws and regulations concerning collective bargaining and free association. Where conflicts are known to exist, employers will use the standard that provides the greatest protection for workers.	Collective bargaining agreement has been discussed but not signed				Record review Management interview			Factory was able to sign the CBA with the union chair-person as soon as the union could collect signatures of more than 50% of the union members (workers) as required by law.					

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	Remediation					PC Comments																				
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why																														
8. Wages and Benefits																																				
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits																																				
Wage Benefits Awareness	Article 57 of the Labor Code, Decree 114/2003/ND-CP and Circular No 14/2003/TT-BLDTBXH : Enterprises shall have to formulate their own wage scales and payrolls, technical criteria and grades of workers, titles and professional qualifications of employees, for use as a basis for signing labor contracts and collective labor agreements, determining the wage funds, paying wages and setting other regimes for laborers.	Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law	Factory has no wage scale policy drafted or communicated to workers as required.					Record review Management interview			Factory shall develop its wage scale system, register it with the labor office, and communicate it to all employees.																									
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Punch cards are not used accurately for timekeeping OT for Sunday and overnight is not recorded accurately					Record review. Worker and payroll staff interview.		Factory was found maintaining manual time sheets. Overtime hours on Sunday were not recorded in the time cards, but those overtime hours displayed in the time sheets and payroll records. Workers confirm that OT hours were properly paid.	Factory must cease hiding excessive overtime hours. Working hours must be tracked accurately through a time-keeping system.																									
Timely Payment of Benefits	Article 141 of the labor code: The compulsory social insurance scheme shall apply to enterprises which the employees under labor contract with definite term of over 3 months and labor contract with indefinite term. In these enterprise, the employees shall be pay contributions to social insurance funds at the rate of 15% of the total wage fund of the enterprises and the employees shall be entitled to social security benefits in the event of sickness, work accidents and occupational diseases, maternity, retirement and death.	All legally mandated deductions for taxes, social insurance, or other purposes will be deposited each pay period in the legally defined account or transmitted to the legally defined agency. This includes any lawful garnishments for back taxes, etc. The employer will not hold any of these funds over from one pay period to the other unless the law specifies that deposits are to be made less frequently than pay periods (e.g., monthly deposits, weekly pay). If the law does not specify, then deposits will be made before the next pay period in all cases	Factory did not pay social & medical insurance on time and is months behind in payments. As a result workers do not receive their benefits.					Record review Worker interview Management interview			Factory shall pay social & medical insurance on time.																									
Timely Payment	Article 59 of the Labor Code: Wages shall be paid to employee directly, in full, at the due time and at the workplace.	All compensation shall be paid in a timely manner	Factory often pays salary late or does not pay completely. Workers have already walked out several times during 2005 over this issue.					Visual inspection Worker interview			Due to financial problems as of early 2005, factory often pays salary 1-2 days late, and occasionally up to a week late. Though this is still within legal allowance, the factory must commit to pay wages in a timely manner.																									
False Payroll Records		Employers will not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason.	Factory falsifies time cards to cover up Sunday and overnight OT.							Factory was found maintaining manual time sheets. Overtime hours on Sunday were not recorded in the time sheets and payroll records. Workers confirm that OT hours were properly paid.	Factory must cease hiding excessive overtime hours. Working hours must be tracked accurately through a time-keeping system.																									
Wage Benefits Awareness	Article 62 of the labor code: in case of forced work stoppage the employee shall be paid as agreed between the parties, but shall not be less than the minimum wage in case of breakdowns in electricity or water supply not due to fault of the employer or in case of force majeure.	Employers will communicate orally and in writing to all employees in the language of the worker the wages, incentive systems, benefits and bonuses to which all workers are entitled in that company and under the applicable law		Work stoppage policy (to pay in full) has not been amended according to law or announced to workers and staff, however no incidents recently				Record review Management interview		Factory posted and submitted the revised policy last year (March 2004). However, the policy was posted in the bulletin board located in the clinic/office area.	Factory shall re-communicate the policy via loud speakers.																									
Timely Payment	Article 76 of labor code: An employee, for reason of termination of employment or for other reasons, who has not used up part or whole of his annual leave, shall be paid the wage in lieu for those days not taken.	All compensation shall be paid in a timely manner	Factory did not pay compensation for annual leave not taken in 2004					Record review			Factory shall pay compensation for annual leave not taken, no later than March of the following year.																									

FLA Code/ Compliance issue	Country Law/Legal Reference	FLA Benchmark	IEM Findings					Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	Remediation		PC Comments				
			Non-compliance	Risk of Non-compliance	Evidence of Non-compliance (uncorroborated)	If not corroborated, explain why	PC Remediation plan										
9. Hours of Work																	
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period																	
Overtime Limitations	Article 68, 69 of the Labor Code and Circular No. 15/2003/TT-BLĐTBXH dated Jun 3rd 2003: The overtime must not exceed 4 hours a day, 16 hours a week, 14 hours in 4 consecutive days and 300 hours a year.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Factory has repeated, frequent and serious OT violations, well in excess of code standards and legal limits.					Record review Worker interview Management interview			Factory must commit in writing to comply with the legal requirement, i.e overtime hours not exceeding 4 hours a day, 16 hours a week, 14 hours in 4 consecutive days and 300 hours a year. Factory to track yearly overtime hours.						
Overtime Limitations	Article 68, 69 of the Labor Code	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Sunday work is common, in violation of code and law								Factory shall submit a plan to control overtime work to ensure that at least one day off in seven is given.						
Legal compliance with protected workers	Article 115 of the Labor Code Employer must not be allowed to employ a female employee as from her seventh month of pregnancy or who is nursing a child under 12 months of age to work overtime, at night or in distant places.	The factory will comply with all applicable laws governing work hours, including those regulating or limiting the nature and volume of work performed by women or workers under the age of 18	Pregnant workers worked OT in violation of law					Record review Worker interview			Factory shall not allow female workers who are seven months or more into their pregnancy, or are nursing a child under 12 months of age, to work overtime.						
Voluntary OT		Overtime hours worked in excess of code standard will be voluntary	Factory has OT sign up sheet but workers often do not sign themselves and sign up sheet does not specify length of OT until after work is complete. Workers need leave permission to refuse OT, even at night					Record reviews, worker interview			Factory shall require production managers and supervisors to strictly follow its production policy and must eliminate the pass practice. Elimination shall be communicated to all employees orally and in writing.						
10. Overtime Compensation																	
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.																	
Accurate recording of OT hours worked?		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	OT pay for over night and Sundays cannot be verified since time keeping for these periods is not recorded accurately					Record review. Worker and payroll staff interview.		Factory was found maintaining manual time sheets. Overtime hours on Sunday were not recorded in the time cards, but those overtime hours displayed in the time sheets and payroll records. Workers confirm that OT hours were properly paid.	Factory must cease hiding excessive overtime hours. Working hours must be tracked accurately through a time-keeping system.						
OT Compensation	Circular No 14/2003/TT-BLĐTBXH dated May 30, 2005: If laborers work overtime at night, their overtime pay shall be calculated for payment as follows: - For laborers enjoying time-based wages: Overtime night-work pay = Actually paid hourly wage x 130% x 150% or 200% or 300% x Number of overtime night-work hours	The factory shall comply with applicable law for premium rates for overtime compensation	Factory paid short for OT work at night: factory paid 185% (150% + 35%) instead of 195% (150% x 130%) as required by Circular 14/2003/TT-BLĐTBXH					Record review			Due to misinterpretation of the legal requirement, the factory was already required to revise its payment policy to comply with the law. The factory was also asked to pay back wages.						
Miscellaneous																	
Other	Decree 109/2003/ND-CP and Circular No 20/2003/TT-BLĐTBXH		Personnel records were incomplete: 6/29 records had no health check certificate, 1/29 record had no salary stated in contract.					Record review			The factory shall require human resources staff to check all workers' profiles and add missing documents. Human resources staff shall be disciplined for this infraction due to repeated violations.						